

# COMMITTEE REPORT

## MR. PRESIDENT:

The Senate Committee on Finance, to which was referred House Bill No. 1018, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1       Page 1, between the enacting clause and line 1, begin a new
- 2       paragraph and insert:
- 3       "SECTION 1. IC 6-6-9.8 IS ADDED TO THE INDIANA CODE AS
- 4       A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 5       1, 2003]:
- 6       **Chapter 9.8. County Supplemental Auto Rental Excise Tax**
- 7       **Sec. 1. As used in this chapter, "department" refers to the**
- 8       **department of state revenue.**
- 9       **Sec. 2. As used in this chapter, "gross retail income" has the**
- 10       **meaning set forth in IC 6-2.5-1-5, except that the term does not**
- 11       **include taxes imposed under IC 6-2.5.**
- 12       **Sec. 3. As used in this chapter, "passenger motor vehicle" has**
- 13       **the meaning set forth in IC 9-13-2-123(a).**
- 14       **Sec. 4. As used in this chapter, "person" has the meaning set**
- 15       **forth in IC 6-2.5-1-3.**
- 16       **Sec. 5. As used in this chapter, "retail merchant" has the**
- 17       **meaning set forth in IC 6-2.5-1-8.**
- 18       **Sec. 6. As used in this chapter, "truck" has the meaning set**
- 19       **forth in IC 9-13-2-188(a).**
- 20       **Sec. 7. (a) This chapter applies to any county that does not**
- 21       **impose a supplemental auto rental excise tax under IC 6-6-9.7.**

1       (b) The county council may adopt an ordinance to impose an  
2 excise tax, known as the county supplemental auto rental excise  
3 tax, upon the rental of passenger motor vehicles and trucks in the  
4 county for periods of less than thirty (30) days.

5       (c) The ordinance must specify that the tax expires on or before  
6 a specific date not to exceed thirty (30) years after the date of  
7 adoption of the ordinance.

8       (d) The county supplemental auto rental excise tax that may be  
9 imposed upon the rental of a passenger motor vehicle or truck  
10 equals five percent (5%) of the gross retail income received by the  
11 retail merchant for the rental.

12       (e) If a county council adopts an ordinance under subsection (b),  
13 the county council shall immediately send a certified copy of the  
14 ordinance to the commissioner of the department.

15       (f) If a county council adopts an ordinance under subsection (b)  
16 before June 1, the county supplemental auto rental excise tax  
17 applies to auto rentals after June 30 of the year in which the  
18 ordinance is adopted. If the county council adopts an ordinance  
19 under subsection (b) after May 31, the county supplemental auto  
20 rental excise tax applies to auto rentals after the last day of the  
21 month in which the ordinance is adopted.

22       Sec. 8. (a) The rental of a truck is exempt from the county  
23 supplemental auto rental excise tax if the declared gross weight of  
24 the rented truck exceeds eleven thousand (11,000) pounds.

25       (b) The rental of a passenger motor vehicle or truck by a funeral  
26 director licensed under IC 25-15 is exempt from the county  
27 supplemental auto rental excise tax if the rental is part of the  
28 services provided by the director for a funeral.

29       (c) The temporary rental of a passenger motor vehicle or truck  
30 is exempt from the county supplemental auto rental excise tax if  
31 the rental is:

32           (1) made or reimbursed under a contract or an agreement  
33 between a provider and person given for consideration over  
34 and above the lease or purchase price of a motor vehicle that  
35 undertakes to perform or provide repair or replacement  
36 service, or indemnification for that service, for the  
37 operational or structural failure of a motor vehicle due to a  
38 defect in materials or skill of work or normal wear and tear;

1           (2) made or reimbursed under a contract for mechanical  
2           breakdown insurance;

3           (3) made or reimbursed under a contract for automobile  
4           collision insurance or automobile comprehensive insurance  
5           that covers the temporary lease of a vehicle to the person after  
6           the person's vehicle is damaged or destroyed in a collision; or

7           (4) otherwise provided to a person as a replacement vehicle:

8                (A) while the person's vehicle is repaired or serviced due  
9                to a defect in materials or skill of work, normal wear and  
10              tear, or other damage; or

11              (B) until the person permanently replaces a vehicle that  
12              has been destroyed.

13           **Sec. 9.** The person that rents a passenger motor vehicle or truck  
14           is liable for the county supplemental auto rental excise tax. The  
15           person shall pay the tax to the retail merchant as a separate  
16           amount added to the consideration for the rental. The retail  
17           merchant shall collect the tax as an agent for the state.

18           **Sec. 10. (a)** Except as otherwise provided in this section, the  
19           county supplemental auto rental excise tax shall be imposed, paid,  
20           and collected in the same manner that the state gross retail tax is  
21           imposed, paid, and collected under IC 6-2.5.

22           (b) Each retail merchant filing a return for the county  
23           supplemental auto rental excise tax shall indicate in the return:

24                (1) all locations in the county where the retail merchant  
25                collected county supplemental auto rental excise taxes; and

26                (2) the amount of county supplemental auto rental excise taxes  
27                collected at each location.

28           (c) The return to be filed for the payment of the county  
29           supplemental auto rental excise tax may be a separate return,  
30           combined with the return filed for the payment of the auto rental  
31           excise tax under IC 6-6-9, or may be combined with the return filed  
32           for the payment of the state gross retail tax, as prescribed by the  
33           department.

34           **Sec. 11. (a)** All revenues collected from the county supplemental  
35           auto rental excise tax shall be deposited in a special account of the  
36           state general fund called the county supplemental auto rental  
37           excise tax account.

38           (b) On or before the twentieth day of each month, all amounts

1 held in the county supplemental auto rental excise tax account shall  
2 be distributed to the county.

3 (c) The amount to be distributed to the county equals the total  
4 county supplemental auto rental excise taxes that were initially  
5 imposed and collected from within the county. The department  
6 shall notify the county auditor of the amount of taxes to be  
7 distributed to the county.

8 (d) All distributions from the county supplemental auto rental  
9 excise tax account shall be made by warrants issued by the auditor  
10 of state to the treasurer of state ordering those payments to the  
11 county.

12 (e) Taxes distributed to the county under this section must be  
13 used for the following:

14 (1) To finance, construct, acquire, improve, renovate,  
15 remodel, or equip buildings, facilities, or improvements that  
16 will be of general public benefit or welfare and will promote  
17 the cultural, recreational, public, or civic well-being of the  
18 community. This includes the land comprising the site, costs  
19 related to the demolition of existing buildings, equipment,  
20 heating and air conditioning facilities, sewage disposal  
21 facilities, landscaping, walks, drives, parking facilities, other  
22 structures, facilities, appurtenances, materials, and supplies  
23 that are necessary to make any building, facility, or  
24 improvement suitable for the use for which it was  
25 constructed, and any other reasonably related costs.

26 (2) To repay bonds issued or leases entered into for the  
27 purposes described in subdivision (1).

1       **(f) The county council must approve an expenditure of taxes**  
2       **distributed to the county under this section."**

3       Renumber all SECTIONS consecutively.  
      (Reference is to HB 1018 as printed February 11, 2003.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 13, Nays 0.

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**Borst**

**Chairperson**